

ATTACHMENT A



Kraft Foods Global, Inc. et al. v. United Egg Producers, Inc. et al.

May 13, 1998 – “Cal-A-Gram”

C A L - A - G R A M

TO: Bill Shupe Joey Long Charlie Daniel
Bobby Armstrong John Miller Ed Scott
MG Hodges Leonard Kropp David Jenkins
Dick Biddle Tom Egerton Roy Winkler
Robert Lewis Denis Cook Chuck Strong
Jerry Straughan

FROM: Steve Storm, Bob Scott & Jack Self

DATE: May 13, 1998

SUBJECT: Early Slaughter/Early Molt

Cal-Maine has agreed to adopt the following early slaughter/early molt programs supported by both UEP and USEM:

- 1) Schedule slaughter or otherwise dispose of all spent flocks back to 105 weeks beginning the week of May 8, 1998 through June 5, 1998.
- 2) Molt all flocks back to 63 weeks beginning May 8, 1998 through June 5, 1998.

Every effort will be made to follow the program 100%. Please advise if there is an exception or problem at a particular location.



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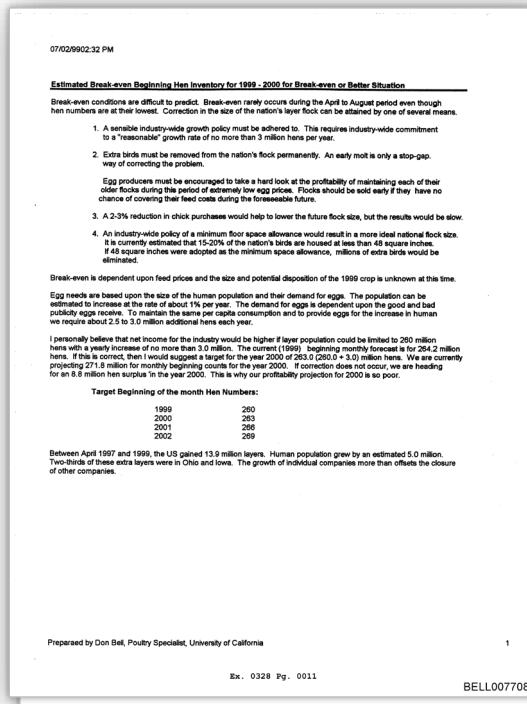
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UEP Letter from Donald Bell to Gene Gregory

July 2, 1999



Don Bell

Gene Gregory

2. **Extra birds must be removed from the nation's flock permanently. An early molt is only a stop-gap way of correcting the problem.**
* * *
4. **An industry-wide policy of a minimum floor space allowance would result in a more ideal national flock size. It is currently estimated that 15-20% of the nation's birds are housed at less than 48 square inches. If 48 square inches were adopted as minimum space allowance, millions of extra birds would be eliminated.**

UEP's Idea to Reduce Henhouse Density

**SPECIAL CALLED
UEP MARKETING CONFERENCE CALL
September 24, 2001**

Marketing Committee Chairman, Dolph Baker called the meeting to order at 2:00 PM with the following being present:

Paul Bahns	Andy Bowers	Kurt Lausecker
Larry Baker	Vincent Reina	Bruce Andrews
Mark Henderson	Steve Thompson	Dave Staples
Doug Wicker	Michael Mills	Joe Mautz
John Hammond	John Demler	Bob Krouse
Bruce Dooyema	Allen Becker	Ed Hershberger
Derek Yancey	John Hertzfeld Jr.	Lamar Calhoun
James Ellingsp	Tom Hertzfeld Jr.	John Forni
Paul Osborne	Willard Mautz	Dick Fazio
Kurt Kreker	Joe Arista	Butch DeVries
Reg Keddie	Jim White	Gary West
Ken Klippen	Mike Becker	Steve Herbrack
Dale Johnson	Bob Gorischeck	Mike Ellingsp
Fred Adams	Bert Dikemba	Jim Brook
Scott Horton	Gary Dryer	Cal Schipper
Russ Dugan	Ron Trues	Dave Offerman
Bob Hollberg	Amon Baer	David Goldenberg
Arnie Riehl	Kevin Doerboom	Lisa Hammerman
Scott Schneider	Al Pope	Linda Rockhard
Irving Isaacson		Gene Gregory

Baker noted that the UEP office had sent a package of material to all members detailing the problem with over supply and the purpose of the call was to discuss this material and the problem in hopes that ideas might come forward to balance supply with the market demand.

Baker presented the USDA statistics of hen inventory and pullet chick hatch. He further explained that the projections for year-ending hen inventory of 238.8 million hens were 11.2 million larger than at the end of 2000. He present further statistics showing the effects of a 2.5% hatch reduction in 2001 and a 4.8% hatch reduction in 2002. With both hatch reductions examples, we would still recognize an increased layer flock inventory.

Ken Looper explained the egg price effect of increased or decreased hen inventory during high and low demand periods. He pointed out that the industry has never before had an increase of this magnitude.

Baker announced a "commitment to change" that was endorsed by the members of Region #5. The commitment included options for leaving houses vacant or reducing the flock size by 5% as well as reducing the chick hatch by delaying the hatch or reducing hatch by 15%.

**SPECIAL CALLED
UEP MARKETING CONFERENCE CALL
September 24, 2001**

* * *

Gene Gregory said that the UEP staff had been working on an idea that would encourage members to take one bird out of each cage until a total of 5% of the house capacity had been reached.



UEP in 2000: Cage Space Increases Will Restrict Production

May 15, 2000



- UEP Animal Welfare Committee Meeting, May 15, 2000

A. Cage Space Allowance Considerations

- Over the last 20 years (1980 to 1999), the greatest amount of egg income minus feed and pullet costs were derived from the least space allowance in small cages, but the opposite in larger cages.

	16" x 20" Cage	24" x 20" cage
5/cg	6/cg	7/cg
64 in ² /bird	53.3 in ² /bird	45.7 in ² /bird
\$17.83	\$18.85	\$18.99
8/cg	9/cg	10/cg
60 in ² /bird	53.3 in ² /bird	48 in ² /bird
\$28.63	\$28.38	\$27.24

- Voluntary increases in space allowances by the industry would reduce returns on investment for those participating companies compared to those not participating.
- Increasing space allowances for the industry can only be justified by individual egg producers if most or all producers participated.
- Increasing space allowances can only come about by legislation or an incentive program that would offset the advantages of the lower space allowances.
- Increasing space allowances would have two major effects:
 - A positioning of the industry as a pro-welfare step. This could avoid space allowances being leveled by the government or a third party.
 - An increase in space allowance would inevitably reduce the layer population and thereby reduce the surplus production problems affecting the industry over the past 20 years.

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UEP Animal Welfare Committee Meeting, May 15, 2000

* * *

3. Increasing space allowances for the industry can only be justified by individual egg producers if most or all producers participated.

* * *

5. Increasing space allowances would have two major effects:

* * *

b). An increase in space allowance would inevitably reduce the layer population and thereby reduce the surplus production problems affecting the industry over the past 20 years.

UEP in 2002: Put Money in Your Pocket!!!

**“What Better Time to Reduce
Cage Density and
Put Money In Your Pocket!!!**

Commentary – Al Pope



Give your animal welfare program a jump start by reducing the cage density to meet UEP's Industry Animal Husbandry Guidelines. This action may be a worthwhile option to consider in addition to the Hatch & Molting Plan as recommended by the UEP Marketing Committee.

The target date of October 1 for reducing the nation's flock size by 5% could be achieved if this option best suits your facilities and marketing plan. If at least 50% of the industry took these actions Producers could make a dollar to two a bird in 2002 instead of the projected losses.....substantial losses at that!!!



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UEP Announces First 100 Companies

April 8, 2002

•  **United Voices** 

United Egg Producers
Gene Gregory - Editor
April 8, 2002

LARGE SIGN UP FOR "CERTIFIED COMPANY" STATUS

As of April 1st, 100 companies representing the ownership of approximately 155 million layers had made a commitment to implement UEP's Animal Husbandry Guidelines. The list of companies in the order by which their application was received is shown below:

* Certified Companies
* Committee Recommendations
* Mori Research
* Washington Report
* Honoring Our Tradition
* Two Issues

1. Witcox Farms 26. Valley Fresh Foods 51. Wiltner Johnson
2. Midwest Poultry Service 27. North Alabama Egg Co. 52. Leibman's Egg Serv.
3. Cal-Maine Foods 28. Red Bird Egg Farm 53. AAA Egg Farms
4. Critten Bros. 29. Olson Farms 54. Tampa Farm Serv.
5. Southern New England Egg 30. All American Poultry Ranch 55. Winkler Egg
6. Makard Egg Farms 31. Schipper Poultry 56. Wexer Bros.
7. Lumber City Egg Marketers 42. Oakdell Egg Farms 57. Den Dalk Poultry
8. Gloucester Egg Co. 43. Hilltop Egg Farm 58. Johnson Egg
9. Glenshaw Egg Co. 44. Delta Egg Farm 59. H & K Farms
10. Simpson's Eggs 45. Sunbest Foods of IA 60. P & R Farms
11. Daylay Egg Farm 46. Grand Mesa Eggs 61. Crystal Valley Farms
12. Loma Egg Farm 47. Eggland's Best Eggs 62. Egg Pro
13. Crystal Farms 48. Gemperle Enterprises 63. Rolling Hills Egg
14. Kreter's Poultry Farm 49. Freitas Fresh Eggs 64. National Food Corp.
15. Zepke's Egg Farm 50. Kell Jensen & Sons 65. Eggland's Best
16. Koffoff Egg Farm 51. Gervais Farm 66. Wabash Valley Prod.
17. Southern New England Eggs 52. Witte Farms 67. Schurings Poultry
18. The Egg & I Farm 53. Yankie Farms 68. Winkler Egg Farm
19. ISS Egg Farm 54. J. C. Chisholm Farm 69. H & K Farms
20. Wigmann 55. Garber Poultry Farm 70. Merrill's Egg Farm
21. R.W. Sander 56. Baer Bros. 91. SKS Enterprises
22. Eggland's Best 57. Eggland's Best 92. Blue Nile Venture
23. LaValle Egg Farms 58. Rivewood, Inc. 93. Haape Egg Co.
24. Elmer King Farm 59. Stetts Farms 94. Sunrise Acres
25. Baer Bros. 60. C & C Egg Co. 95. Eggland's Best
26. Crookston Farms 61. Joe Baer, Inc. 96. FT Recovery Equity
27. Edelweiss Farms 62. Joel Baer, Inc. 97. Kinder Poultry
28. Dynes Farms 63. Rigmup Poultry 98. Rose Acre Farms
29. Eggland's Best Farms 64. Eggland's Best 99. Merle Poultry Farm
30. Sparkee Companys 65. Hertfeld Poultry Farm 100. Hillsideak of Florida
31. J.S. West Milling 66. Green Valley Poultry
32. Eggland's Best Egg Co. 67. Eggland's Best
33. Norco Ranch 68. Aldridge Poultry Farm
34. McAnalley Enterprises 69. Egg Innovations
35. Sunrise Farms of CA 70. Zoot Poultry

UNITED EGG PRODUCERS
1303 Highview Trail
Atlanta, GA 30330
Phone: (770) 547-5971
Fax: (770) 547-6044
info@unitedegg.org
<http://www.unitedegg.org>

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LARGE SIGN UP FOR "CERTIFIED COMPANY" STATUS

As of April 1st, 100 companies representing the ownership of approximately 155 million layers had made a commitment to implement UEP's Animal Husbandry Guidelines. The list of companies in the order by which their application was received is shown below:



UEP Announces First 100 Companies

April 8, 2002

United Voices

United Egg Producers
Gene Gregory - Editor
April 8, 2002

LARGE SIGN UP FOR "CERTIFIED COMPANY" STATUS

As of April 1st, 100 companies representing the ownership of approximately 150 million layers had made a commitment to implement UEP's Animal Husbandry Guidelines. The list of companies in the order by which their application was received is shown below:

*** Certified Companies**
*** Committee Recommendations**
*** Molt Research**
*** Washington Report**

UNITED EGG PRODUCERS
 1303 Highway 74 East
 Atlanta, GA 30330
 Phone: (770) 547-5971
 FAX: (770) 547-6043
<http://www.unitedegg.org>

April 8, 2002
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3. Cal-Maine Foods

1. Wilcox Farms
2. Midwest Poultry Service
3. Cal-Maine Foods

36. Valley Fresh Foods
37. North Alabama Egg Co.
38. Red Bird Egg Farm
39. Olson Farms
40. Herbruck's Poultry Ranch
41. Schipper Poultry
42. Oakdell Egg Farms
43. Active Feed Co.
44. Delta Egg Farm
45. Sunbest Foods of IA
46. Daylay Egg Farm
47. Moark Productions
48. Lumber City Egg Marketers
49. Glenwood Foods
50. Braswell Egg Co.
51. Simpson's Eggs
52. United Egg Marketing Corp.
53. Crystal Farms
54. Kreher's Poul
55. Zephyr Egg C
56. Kofkoff Egg Farm
57. Southern New England Eggs
58. The Egg & I Farm
59. ISE America
60. Wegmans
61. R.W. Sauder
62. Radio Bros.
63. LaValle Egg Farms
64. Elmer King Farm
65. Sperry Farms
66. Creekwood Farms
67. Edelweiss Farms
68. Dynes Farms
69. Morning Fresh Farms
70. Sparboe Companies
71. J.S. West Milling
72. Maxim Production CO
73. Norco Ranch
74. McAnalley Enterprises
75. Sunrise Farms of CA
76. North Alabama Egg Co.
77. Den Dulk Poultry
78. Germantown Egg
79. H & K Farms
80. P & R Farms
81. Crystal Valley Farms
82. H & K Farms
83. Rolling Hills Egg
84. National Food Corp.
85. Wilfie Farms
86. Wabash Valley Prod.
87. Schurings Poultry
88. Wabash Valley Egg Farm
89. H & K Farms
90. Merrill's Egg Farm
91. SKS Enterprises
92. Randy Nelson Venture
93. Hauge Egg Co.
94. Sunrise Acres
95. Ft. Recovery Equity
96. Joel Baer, Inc.
97. Rigidtrup Poultry
98. Rose Acre Farms
99. Hertzfeld Poultry Farm
100. Hillsideak of Florida

47. Moark Productions

51. Gervase Farms
52. Wilfie Farms
53. Yankee Farms
54. Su's Chicken Farm
55. Garber Poultry Farm
56. Baer Bros.
57. CFMG, Inc.
58. Ritewood, Inc.
59. Stiebels Farms
60. C & K Egg Co.
61. Jona Baer, Inc.
62. Joel Baer, Inc.
63. Rigidtrup Poultry
64. Fassio Egg Farm
65. Hertzfeld Poultry Farm
66. Green Valley Poultry
67. Triple A Farms
68. Aldridge Poultry Farm
69. Egg Innovations
70. Zoet Poultry

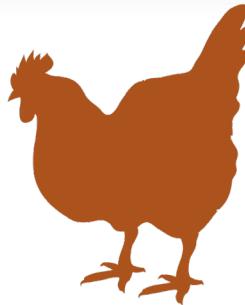
71. J.Wilmar Jensen
72. Lehman's Egg Serv.
73. AAA Egg Farms
74. Tampa Farm Serv.
75. Pearl Valley Eggs
76. Weaver Bros.
77. Den Dulk Poultry
78. Germantown Egg
79. H & K Farms
80. P & R Farms
81. Crystal Valley Farms
82. Hillandale of Pa.
83. Rolling Hills Egg
84. National Food Corp.
85. James Farm
86. Wabash Valley Prod.
- 87.
- 88.
- 89.
90. Merrill's Egg Farm
91. SKS Enterprises
92. Randy Nelson Venture
93. Hauge Egg Co.
94. Sunrise Acres
95. George's
96. Ft. Recovery Equity
97. Rindler Poultry
98. Rose Acre Farms
- 99.
- 100.

86. Wabash Valley Prod.

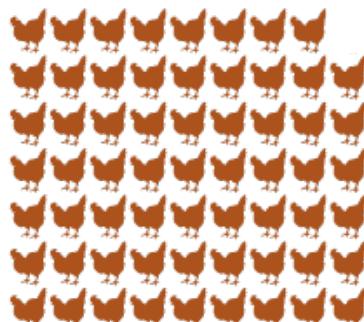
51. Gervase Farms
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98. Rose Acre Farms

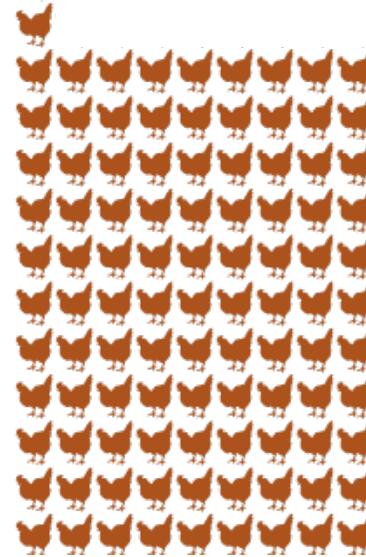
Number of Laying Hens in Certified Program (2002)



= 1 Million Hens



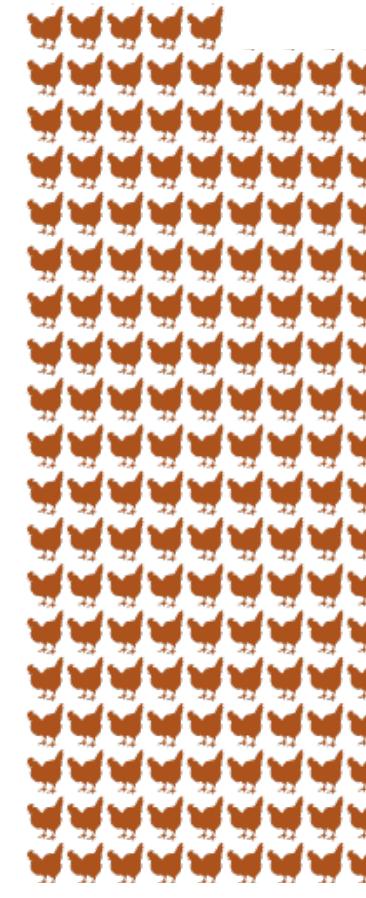
March 11
62 Million



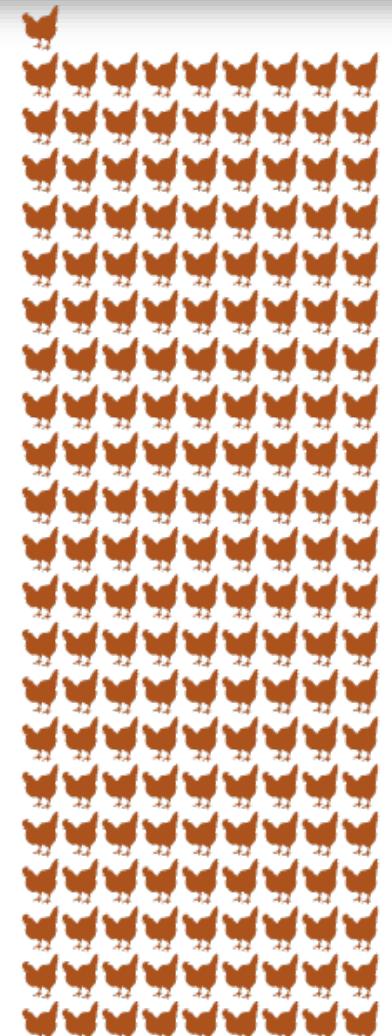
March 25
100 Million



April 5
155 Million

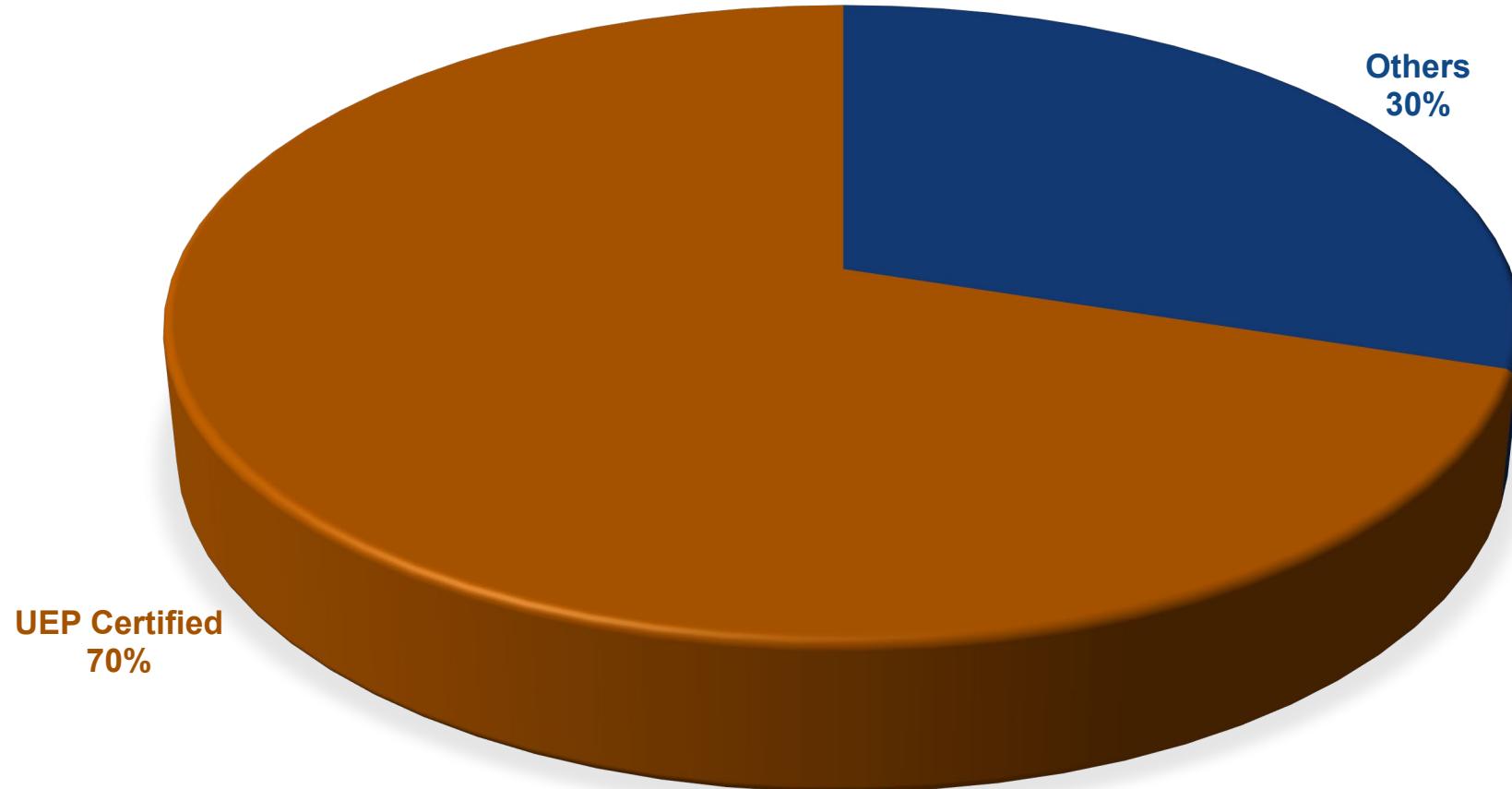


May 6
167 Million

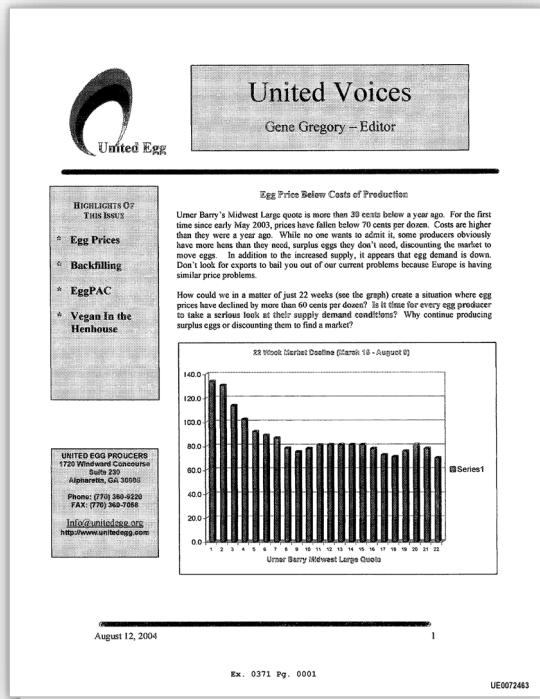


July 16
190 Million

Nation's Flock Size in Certified Program (2002)



UEP in 2004: Backfilling – a Loophole of a Hangman’s Noose?



Gene Gregory

Al Pope

Backfilling – A Loophole of a Hangman’s Noose? Editorial by: Al Pope

Whose program is it anyway, this UEP Animal Care Certified program? It's not really UEP's per se, and certainly not UEP's staff. No, the program belongs to those of you who are participating in the program. You decide how the program operates.

In this regard, the original intent of permitting Animal Care Certified companies to backfill was to accommodate those few extra, unexpected pullets from grow-out facilities. This option would avoid the destruction and waste of what otherwise was a "productive bird". After hearing your concerns, the Animal Welfare Committee in May 2003 changed the policy to allow for backfilling at any time with any age bird so long as the "house average" space allowance requirement was not exceeded.

A year later, and while the ACC program was never a supply management program, the "backfill" provision (in my opinion) is contributing or even causing some of the disorderly marketing and poor egg prices that we are currently experiencing. Have we shot ourselves in the foot with this well intended provision? Is it a "noose" that is "strangling" the opportunity of enjoying, once again, the favorable prices for our product we expected this fall?

It is your program. Once again, the Area Meetings are approaching and "your voice counts". It is one person's opinion but I do think you should eliminate or severely limit any "backfill" provisions and return to the favorable market conditions we enjoyed this past spring.

Plaintiffs' Purchases

Purchases from Rose Acre and Wabash Valley

	\$70,803,605
	\$15,088,100
	\$6,577,046
	\$3,948,967

Total

\$96,417,718

Total Overcharges

Kraft

\$18,329,288

Kellogg's®

\$4,605,380

Nestlé

\$1,156,262

 **General
Mills**

\$1,305,612

TOTAL : \$25,396,542

Dr. Baye's Multi-Step Damages Calculations

1

Determine output restriction caused by conspiracy

2

Determine impact of output restriction on UB prices

3

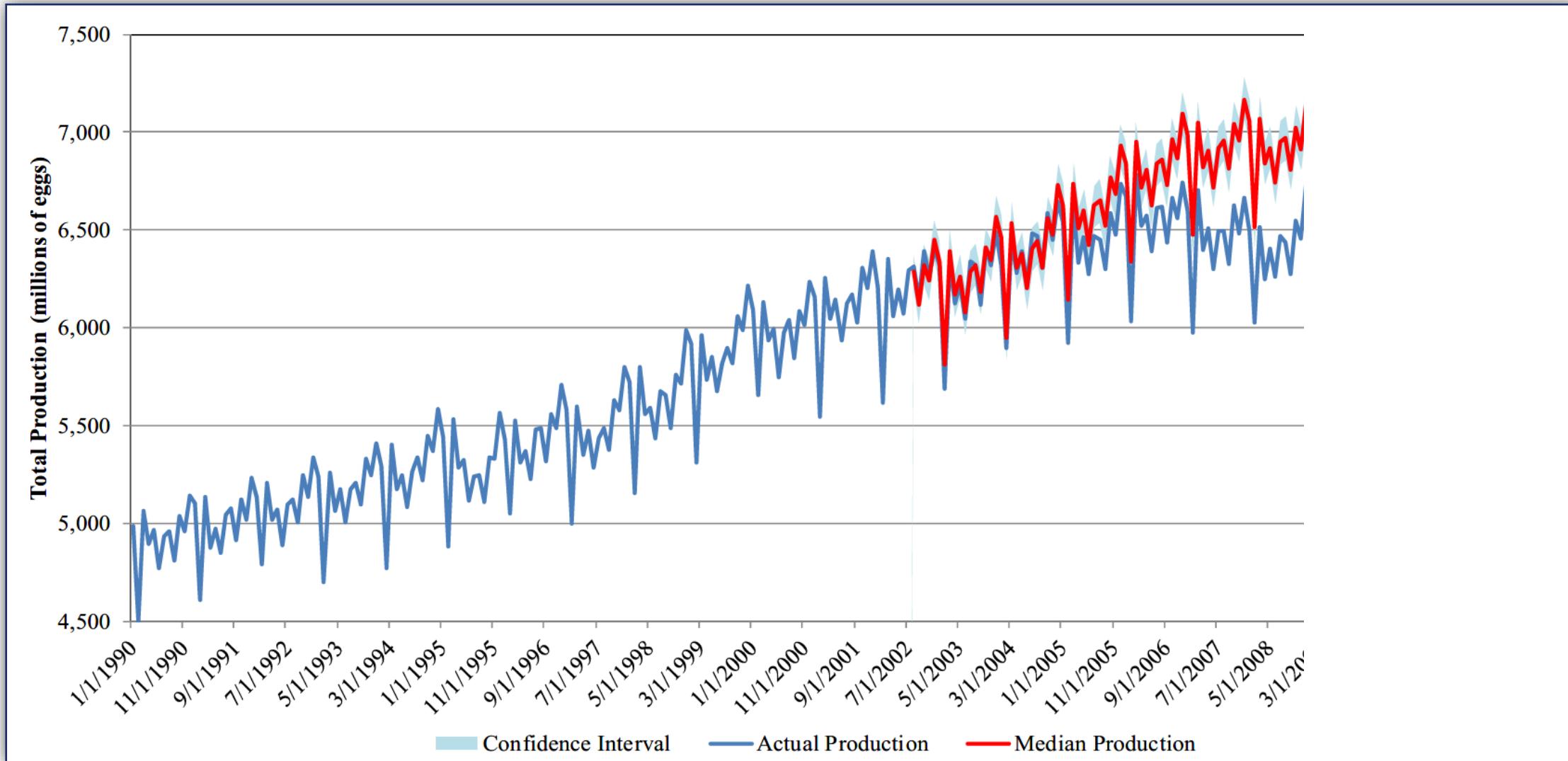
Determine impact of UB prices on prices paid by Plaintiffs

4

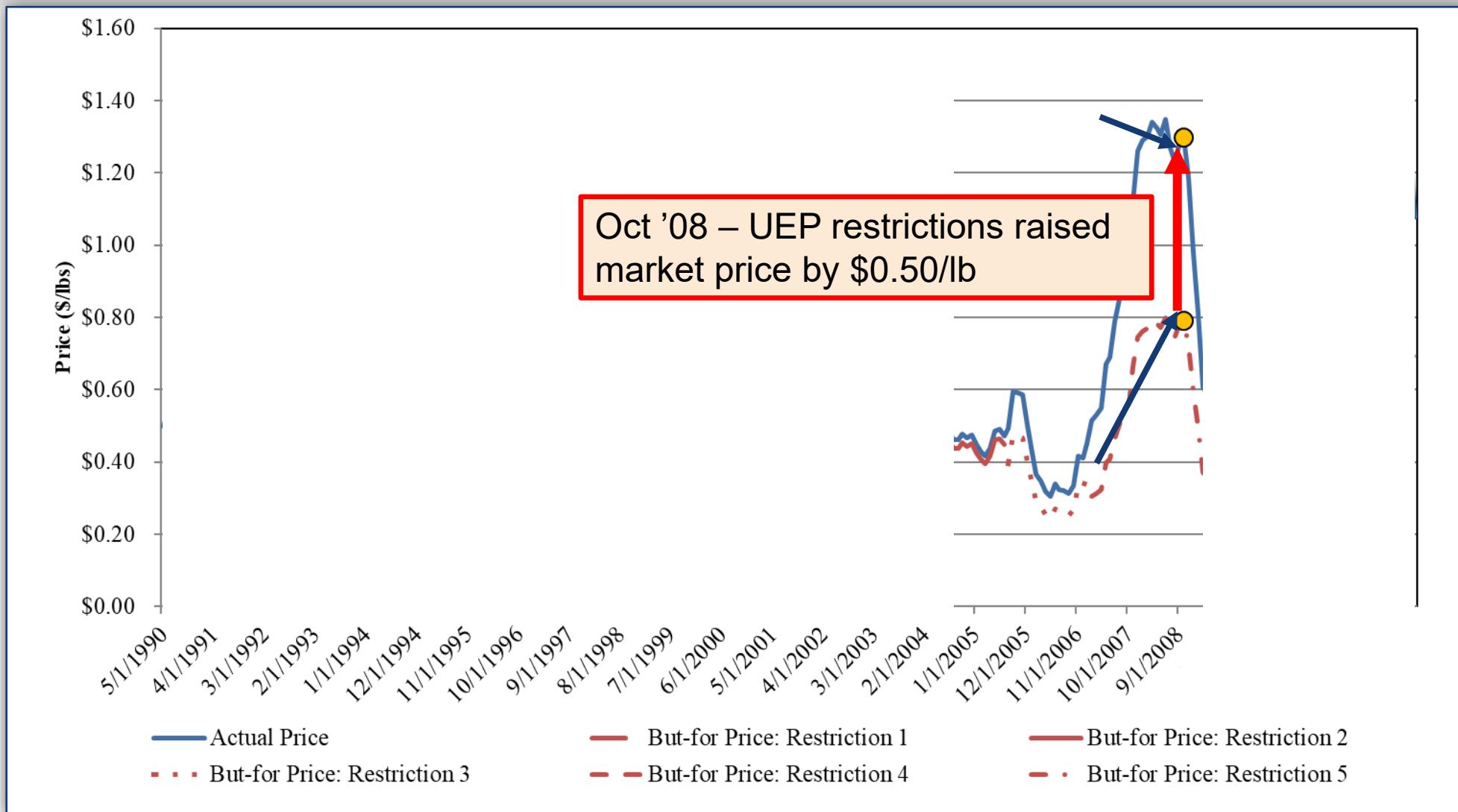
Determine overcharge amount



Output Restriction Caused by Conspiracy



Impact of Output Restriction on UB prices



Total Overcharges

Kraft

\$18,329,288

Kellogg's®

\$4,605,380

Nestlé

\$1,156,262

 **General
Mills**

\$1,305,612

TOTAL : \$25,396,542



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